



Import Trade Trends

FY 2004 Year End Report (October 2003 – September 2004)

Published January 2005



U.S. Customs and Border Protection

Executive Summary

- Import value has grown to a new high of \$1.41 Trillion in FY2004.
- For the last five fiscal years, about two-thirds of all import value was duty free.
- Duty collections for FY 2004 approached \$26 Billion.
- In FY 2004, CBP processed 28.1 Million entry summaries and 78.9 Million lines.
- Consignee volume reached 754,000 by the end of FY 2004.
- Compliance rates for non-security issues are at an all-time high.
- Imports from active CSI ports by lines comprise 46% of all sea container traffic.
- Sea vessel imports account for 43% of all import value.
- C-TPAT and ISA participants account for 37% of all import lines.
- At current rates of growth, China should surpass Canada as our top trading partner within five years.



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Import Value

Import value was \$1.41 Trillion at Year End FY 2004.

Projections for FY 2005 indicate that the value of goods imported into the U.S. could grow by an additional \$131 Billion to \$1.54 Trillion.

- Import value was \$334 Billion in the first quarter, \$336 Billion in the second quarter, and \$367 in the third quarter, \$372 Billion in the last quarter of FY 2004
- Quarterly import values for the FY 2004 have exceeded initial projections, and annual growth increased by over 14%
 - This is the largest percentage increase in import value in the last 4 years



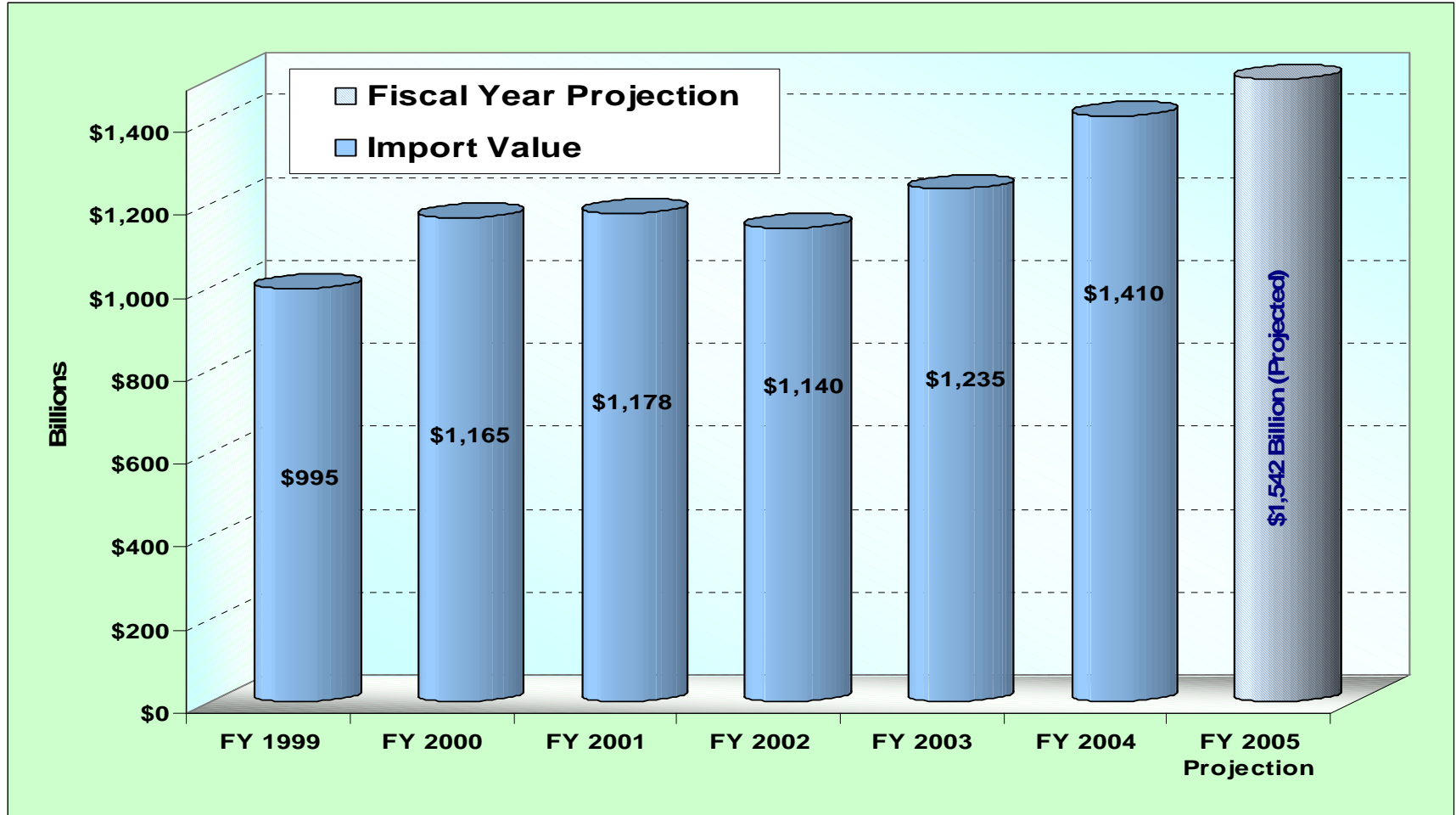
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Import Value by Fiscal Year

Through FY 2004 Year End



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Import Value by Dutiable Status

31% of import value in FY 2004 is dutiable.

- \$437 Billion (31%) was subject to duty
- \$310 Billion (22%) was conditionally free under special trade programs
- \$663 Billion (47%) was duty free
- These percentages have been consistent over the last several years

During FY 2004,
approximately 69% of all
import value
was duty free.



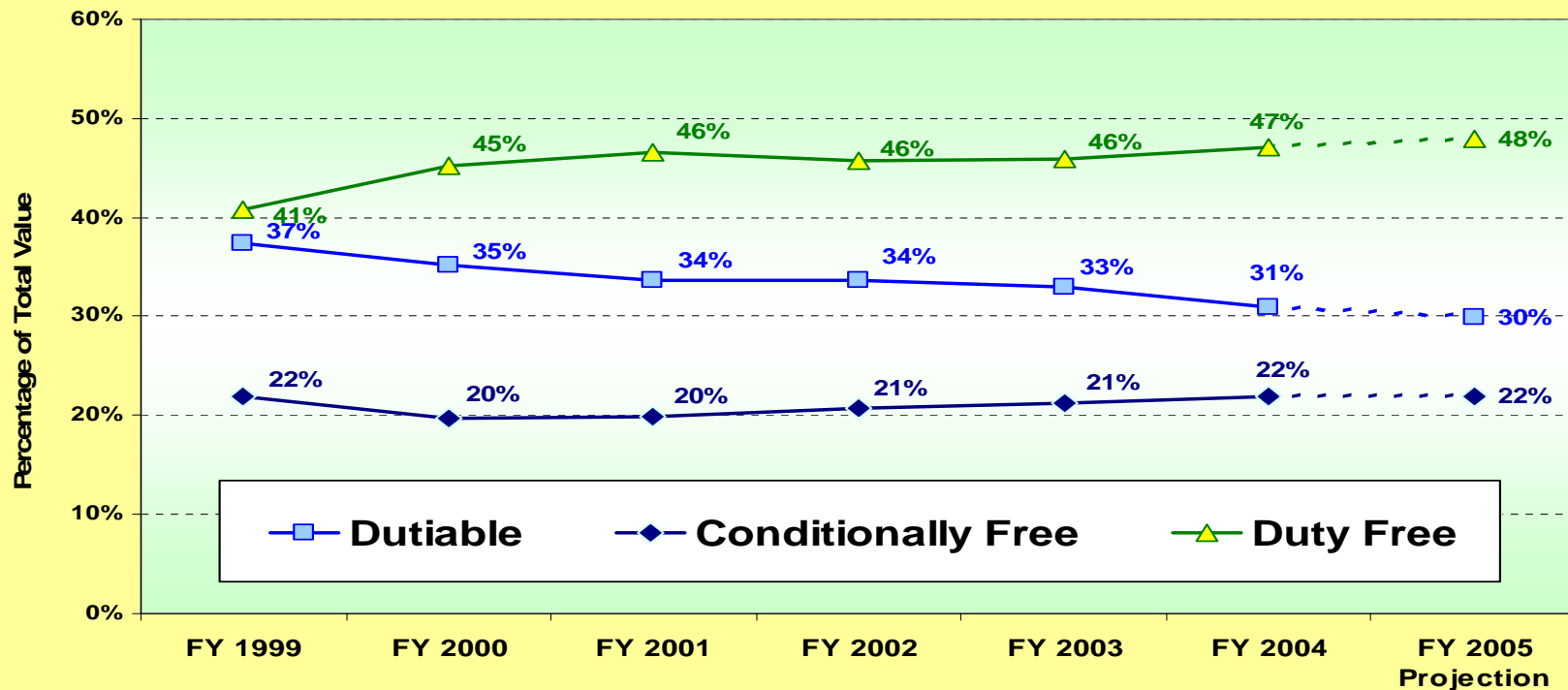
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Import Value by Dutiable Status

Through FY 2004 Year End



Dutiable Value made a gradual decrease between FY 2000 through FY 2004 from 35% to 31%. Duty Free Value continued to increase from 41% in FY 1999 to 47% in FY 2004. This trend is expected to continue. The percentage of value benefiting from preferential duty rates provided for under NAFTA, GSP, and all other trade agreements combined changed little from FY 1999 to FY 2004 and continues to hover at just over 20%.



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Revenue Collections

Nearly \$26 Billion in revenue was collected by the end of FY 2004.

Although duty rates are in decline, total collections are projected to reach over \$26 Billion in FY 2005.

- Revenue collections fell into three major categories:
 - Approximately \$21 Billion was from duty collections
 - \$2.6 Billion was derived from miscellaneous collections, such as various fees and interest payments
 - Another \$2.2 Billion was received as taxes
- Duties as a percentage of value, or the “overall duty rate”, dropped to 1.5% in FY 2004 from 1.6% in FY 2003



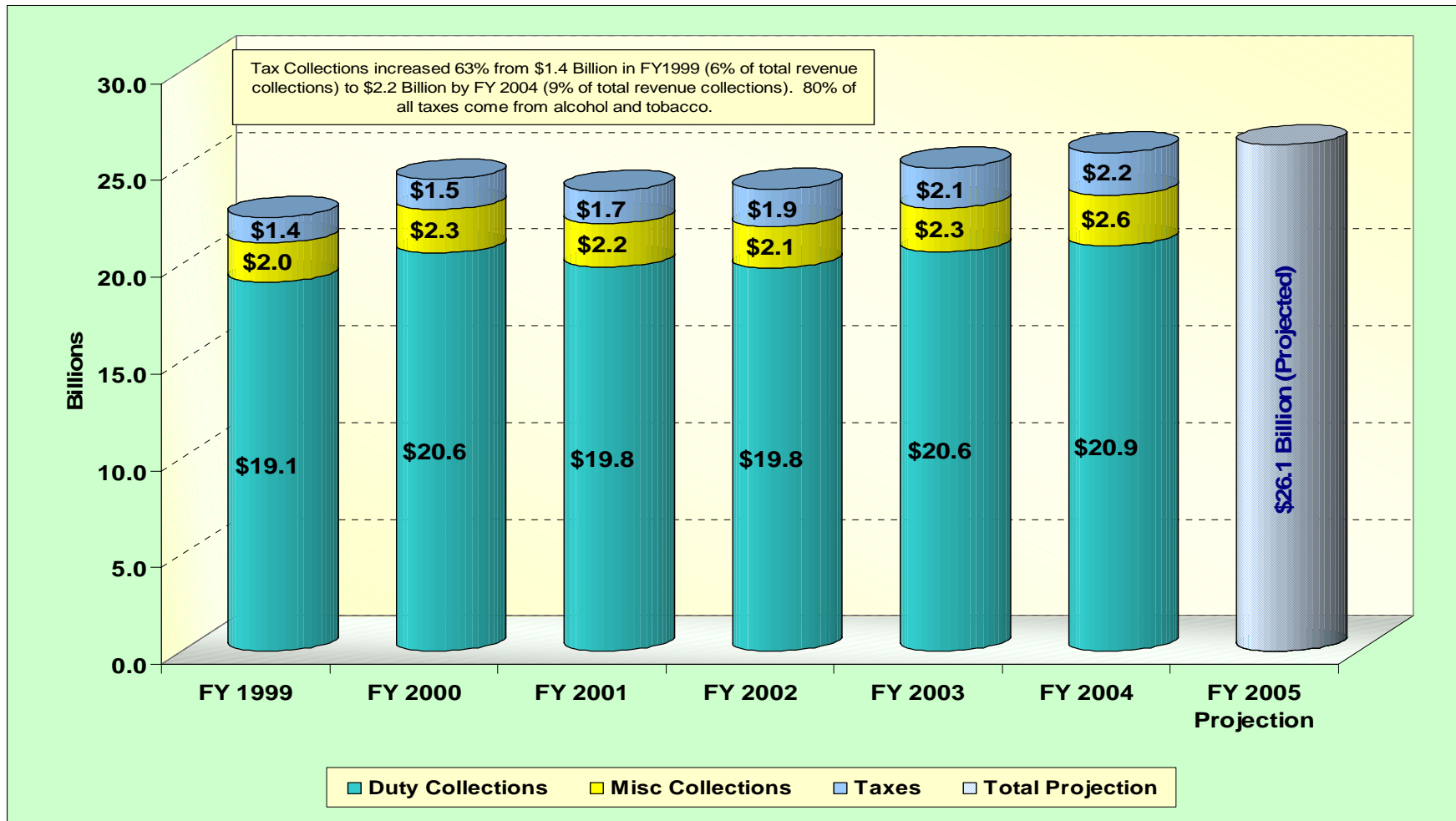
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Revenue Collections

Through FY 2004 Year End



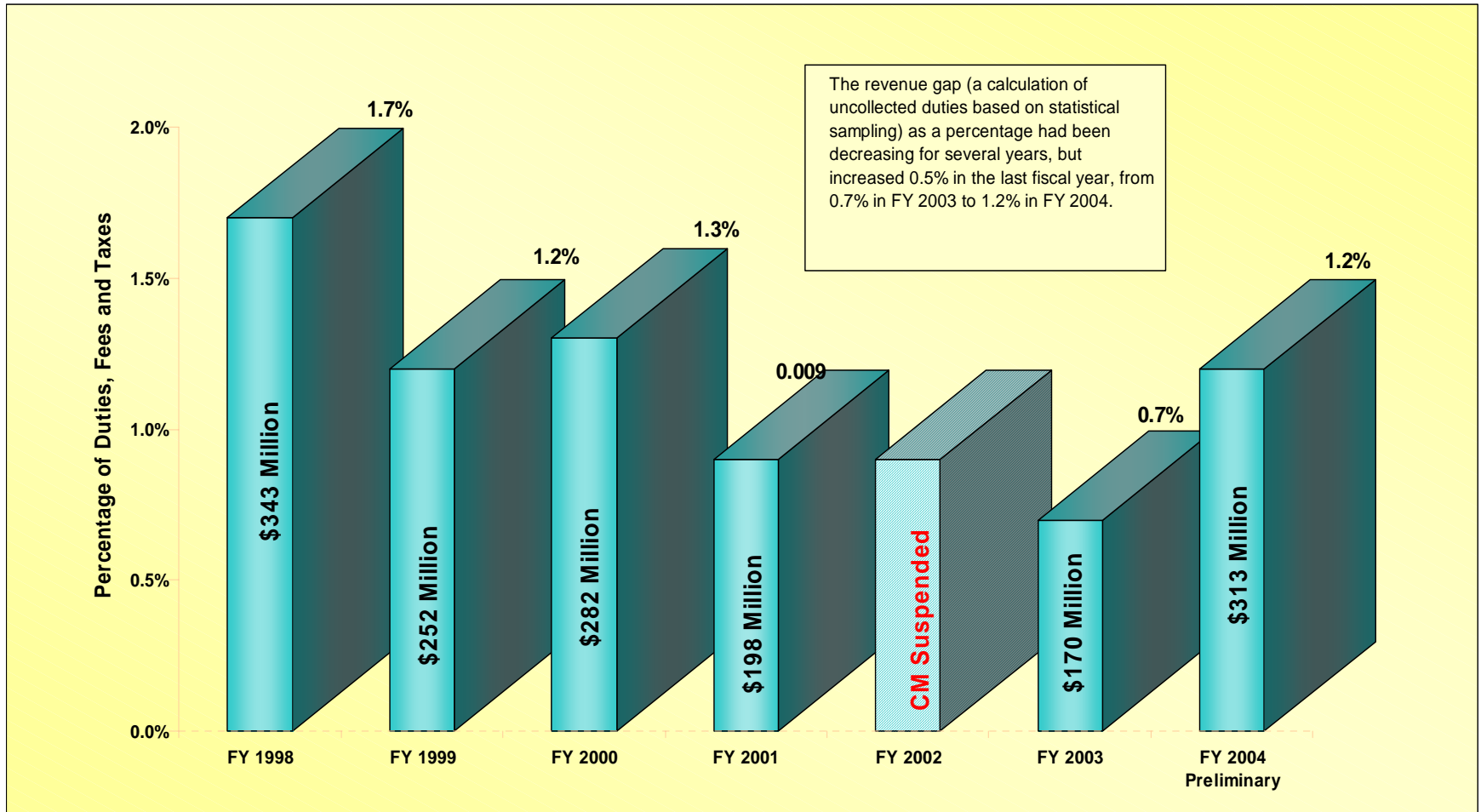
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Revenue Gap

Through FY 2004 Year End



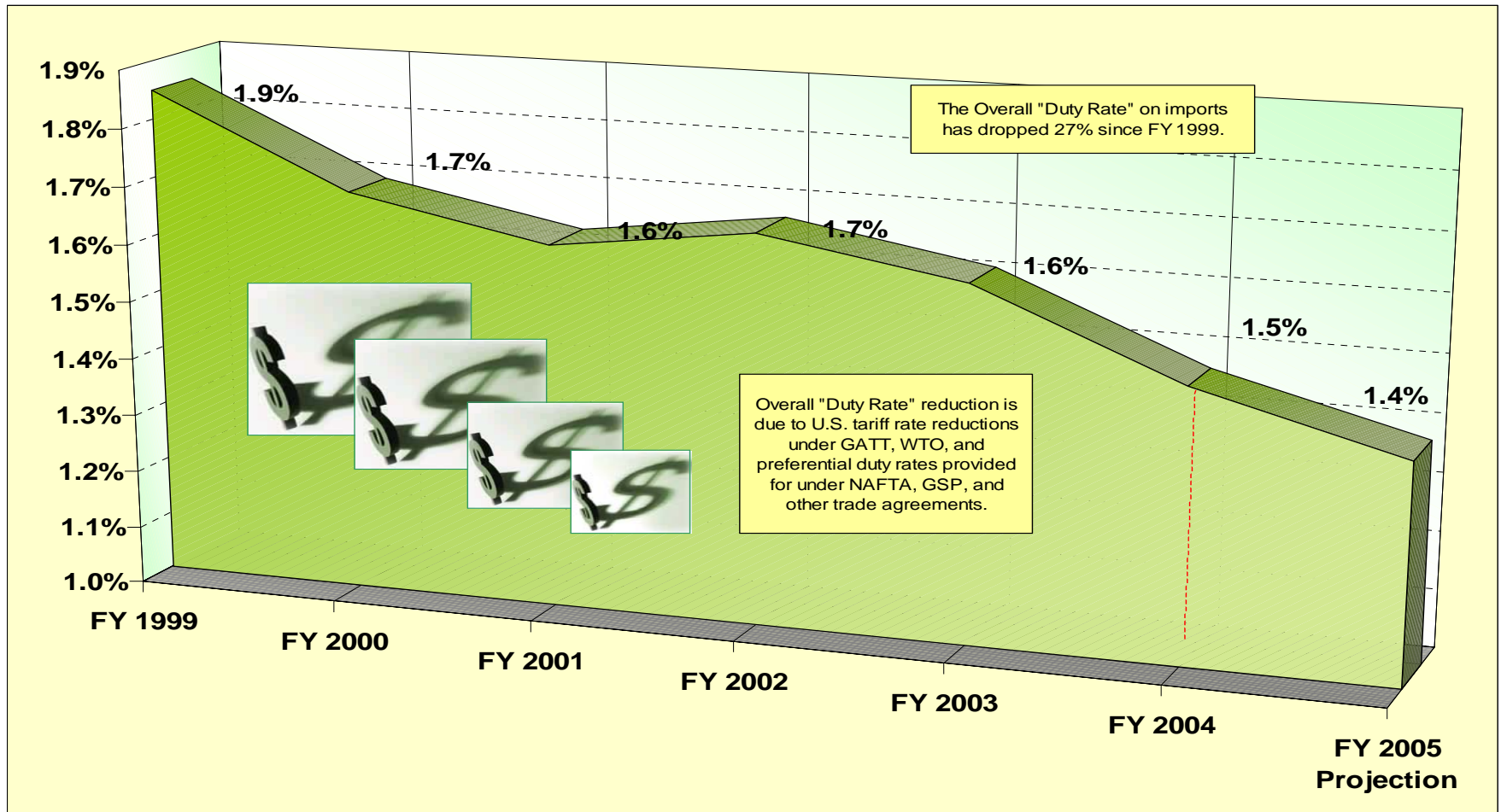
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Estimated Duties as Percent of Value

(Overall "Duty Rate" on All Imports)



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Revenue Collections (continued)

AD/CVD deposits totaled \$1.8 Billion in FY 2004.

- AD deposits totaled \$795 Million for FY 2004
- CV deposits totaled \$987 Million for FY 2004
- Softwood lumber from Canada accounts for 50% of AD deposits and 96% of CV deposits
- Cases against agricultural products from China account for an additional 13% of AD deposits

Total AD/CVD deposits
have increased 532% since
FY 1998.



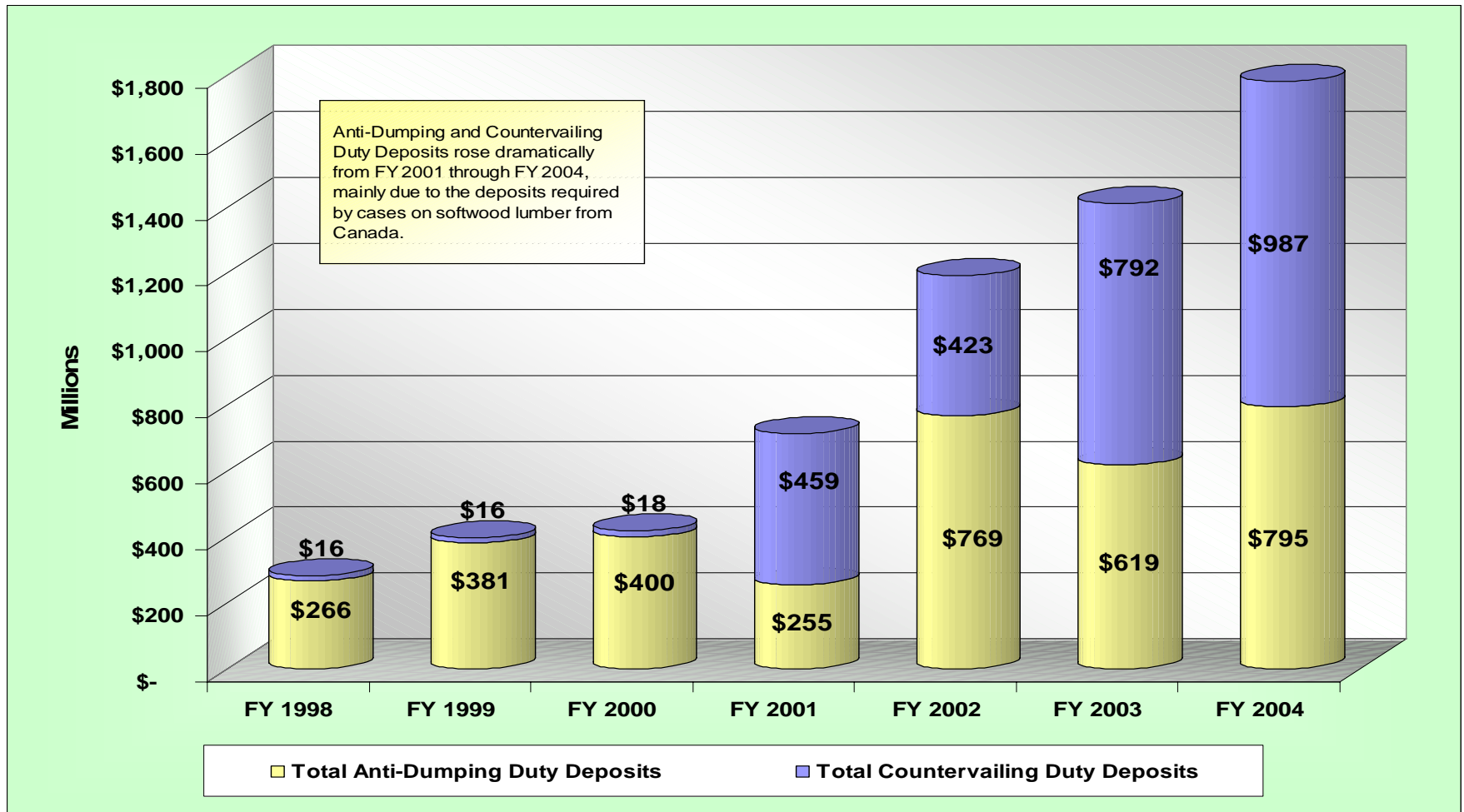
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AD / CVD Deposits

Through FY 2004 Year End



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Import Volume and Entry Processing

CBP processed over 28 million entry summaries in FY 2004.

In FY 2005, Summary and Line volume is projected to exceed 30.1 Million Summaries and 85.1 Million Lines.

- As a measure of CBP trade workload and processing demands, Summary and Line growth average about 8% each fiscal year.
- Entry Summary volume reached a new high in FY 2004
 - 24.2 Million Formal Summaries
 - 4 Million Informal Summaries
- Entry line volume increased to 78.9 Million lines in FY 2004 vs. 72.3 Million in FY 2003



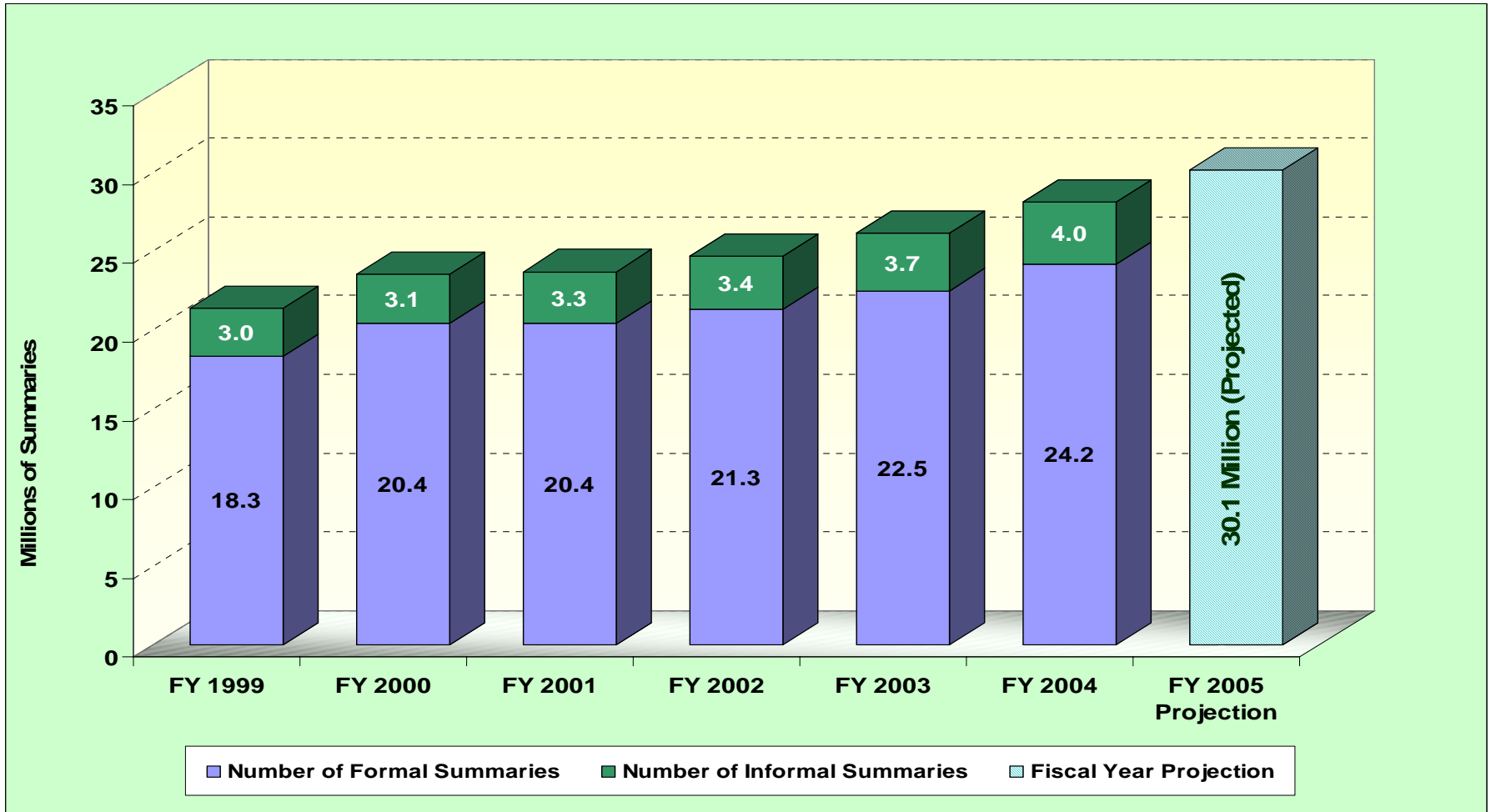
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Entry Summary Volume

Through FY 2004 Year End



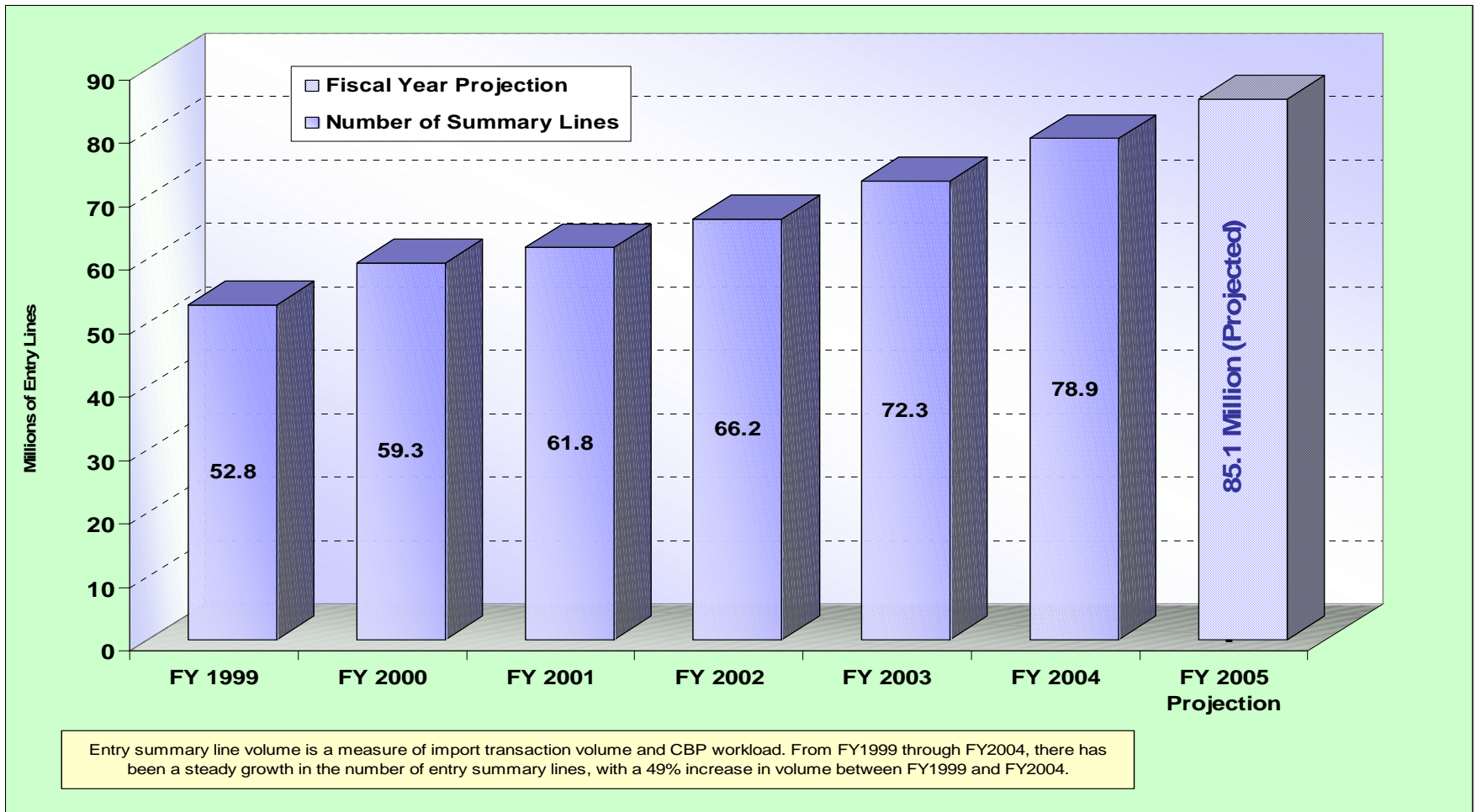
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Entry Summary Line Volume

Through FY 2004 Year End



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Consignees

Over 754,000 consignees imported in FY 2004.

The total number of consignees is projected to reach a record high of 799,000 by the end of FY 2005.

- **The top tiers of consignees import the majority of goods**
 - The Top 100 consignees account for 33% of all import value and 31% of entry lines
 - The Top 1000 consignees account for 62% of all import value and 53% of entry lines
 - The Top 3000 consignees account for 74% of all import value and 65% of entry lines
- **These percentages are consistent with previous fiscal years**



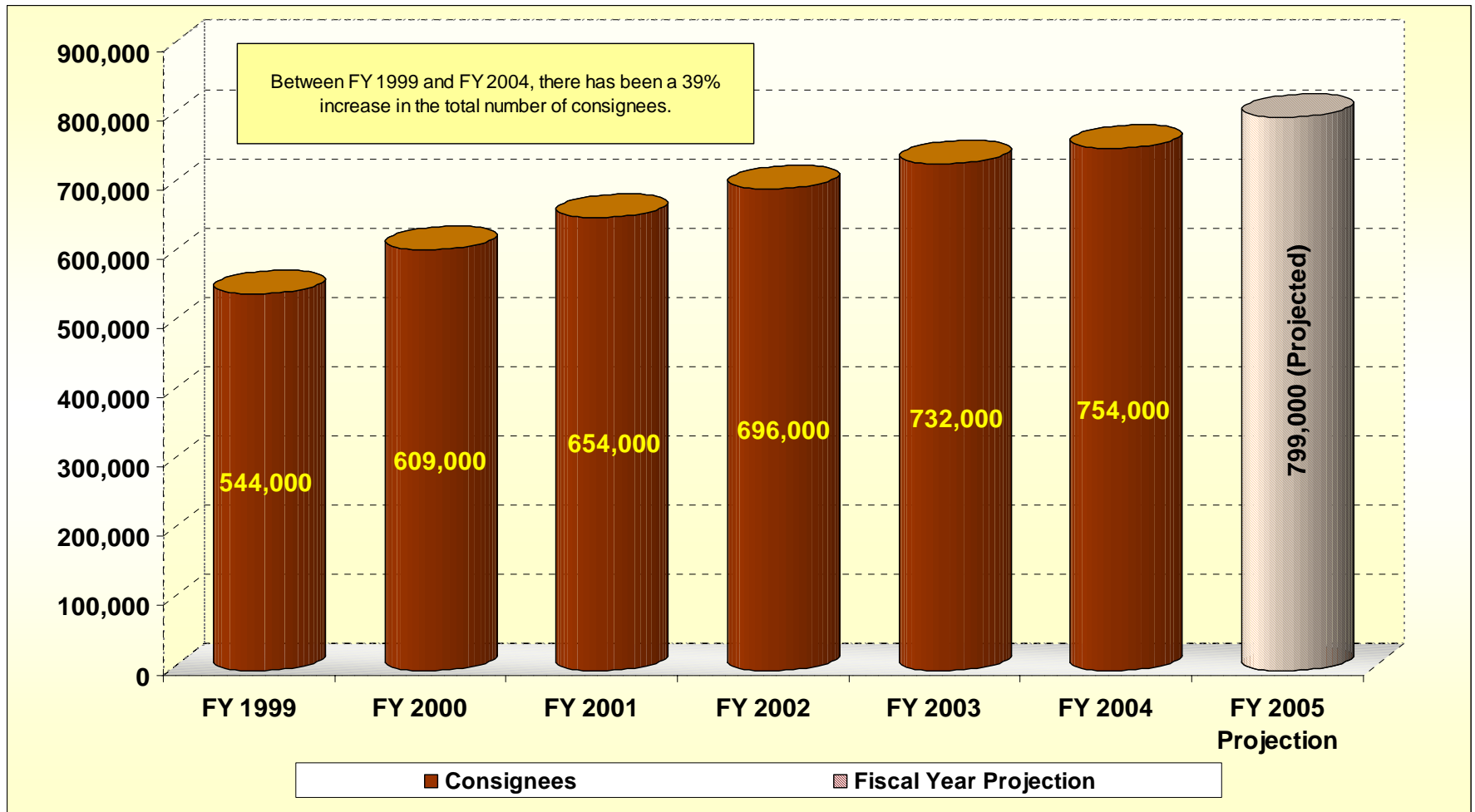
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Number of Consignees

Through FY 2004 Year End



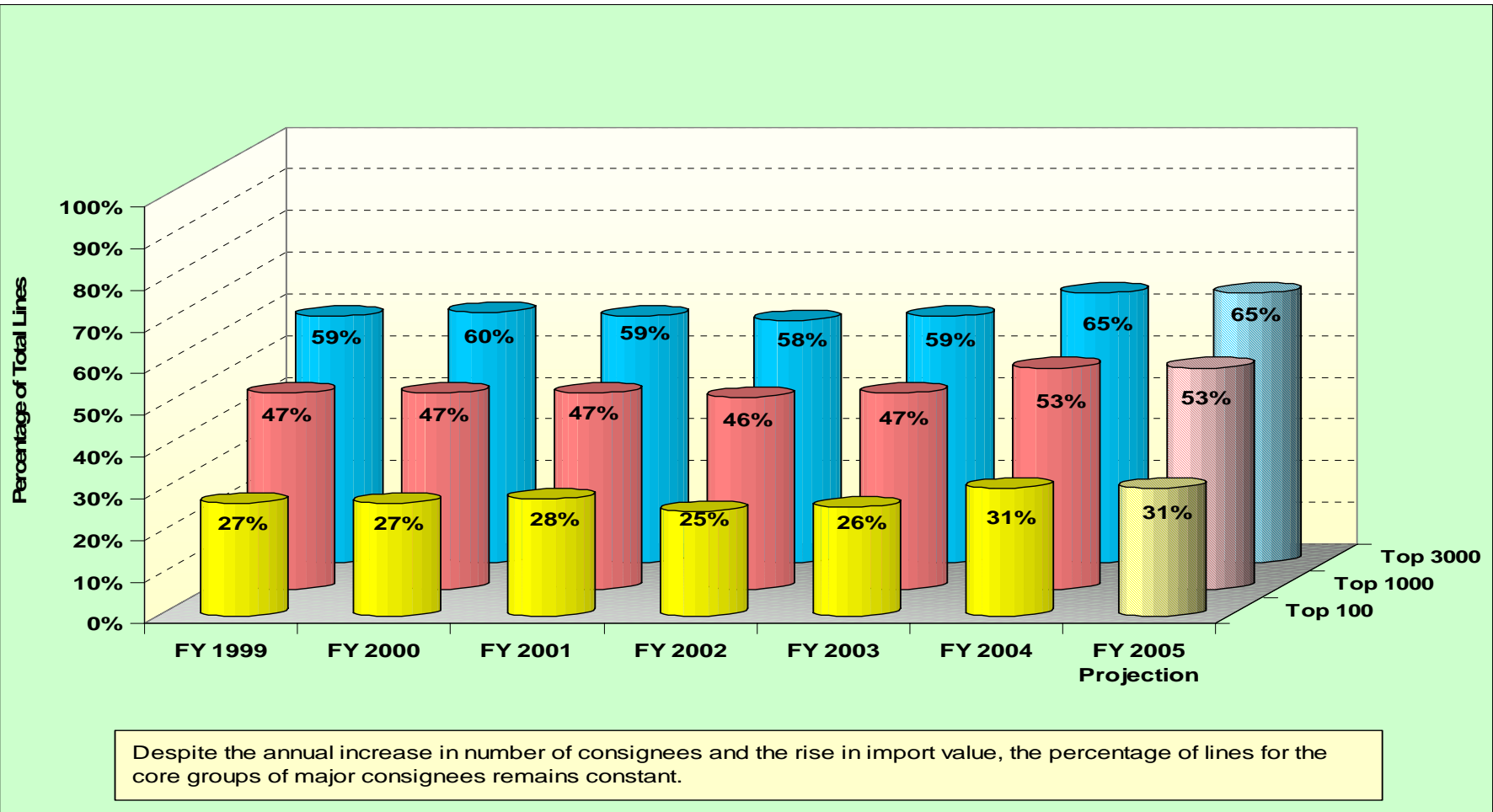
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Top 100, 1000, 3000 Consignees

Through FY 2004 Year End



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Compliance Measurement (CM)

95% of all FY 2004 entries sampled for trade laws were compliant.

CM rates for Major Transactional Discrepancies (MTD) have been increasing over the last several years, and are now at their highest historical levels.

- Overall CM rates for trade have exceeded the previous all time high of 93% in FY 2003
- Participants in CSI, C-TPAT and ISA and major importers all have a higher CM rate for trade than the national average.
- Over 60,000 trade compliance exams were conducted in FY 2004



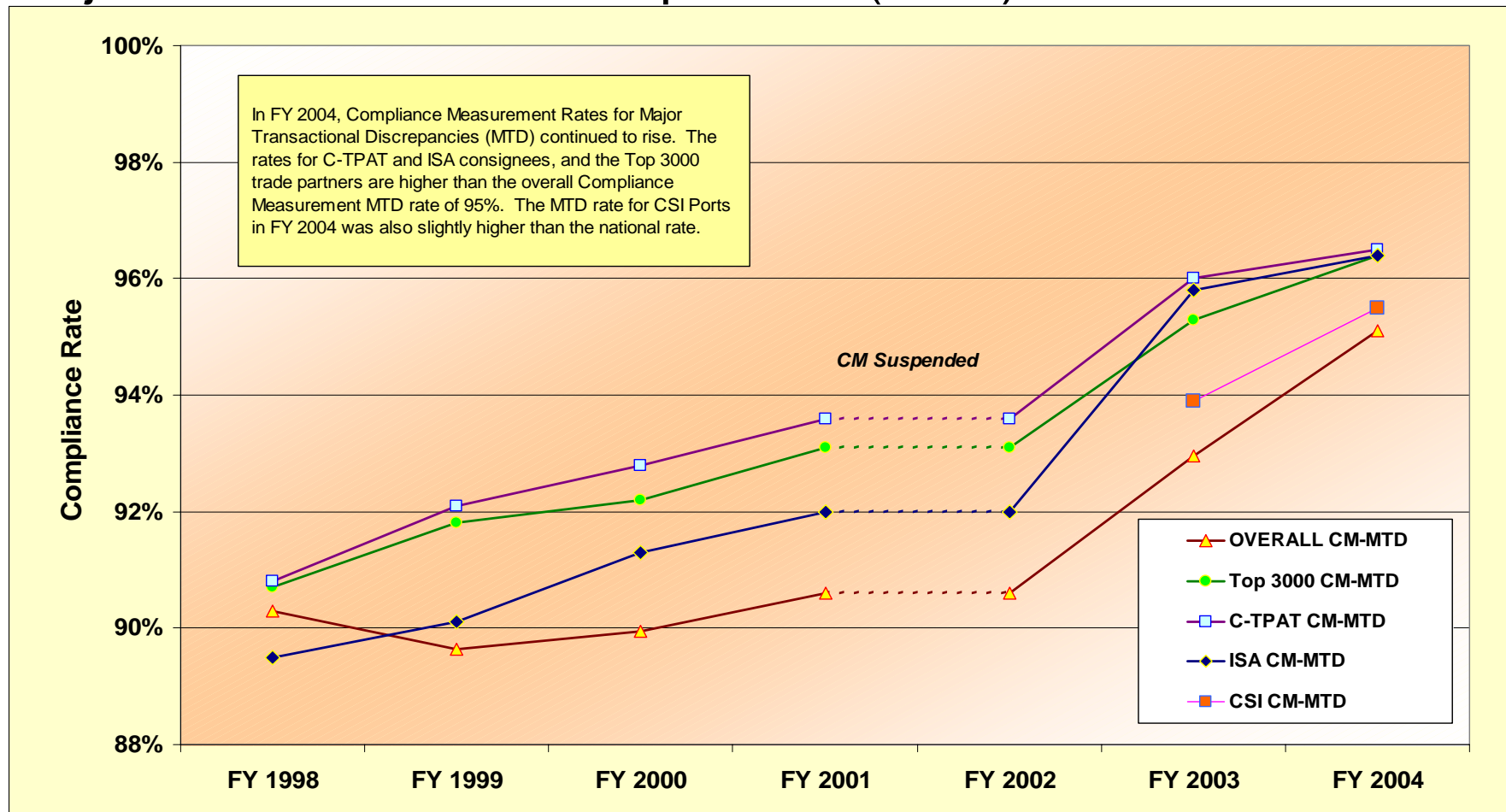
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Compliance Measurement Rates

Major Transactional Discrepancies (MTD)



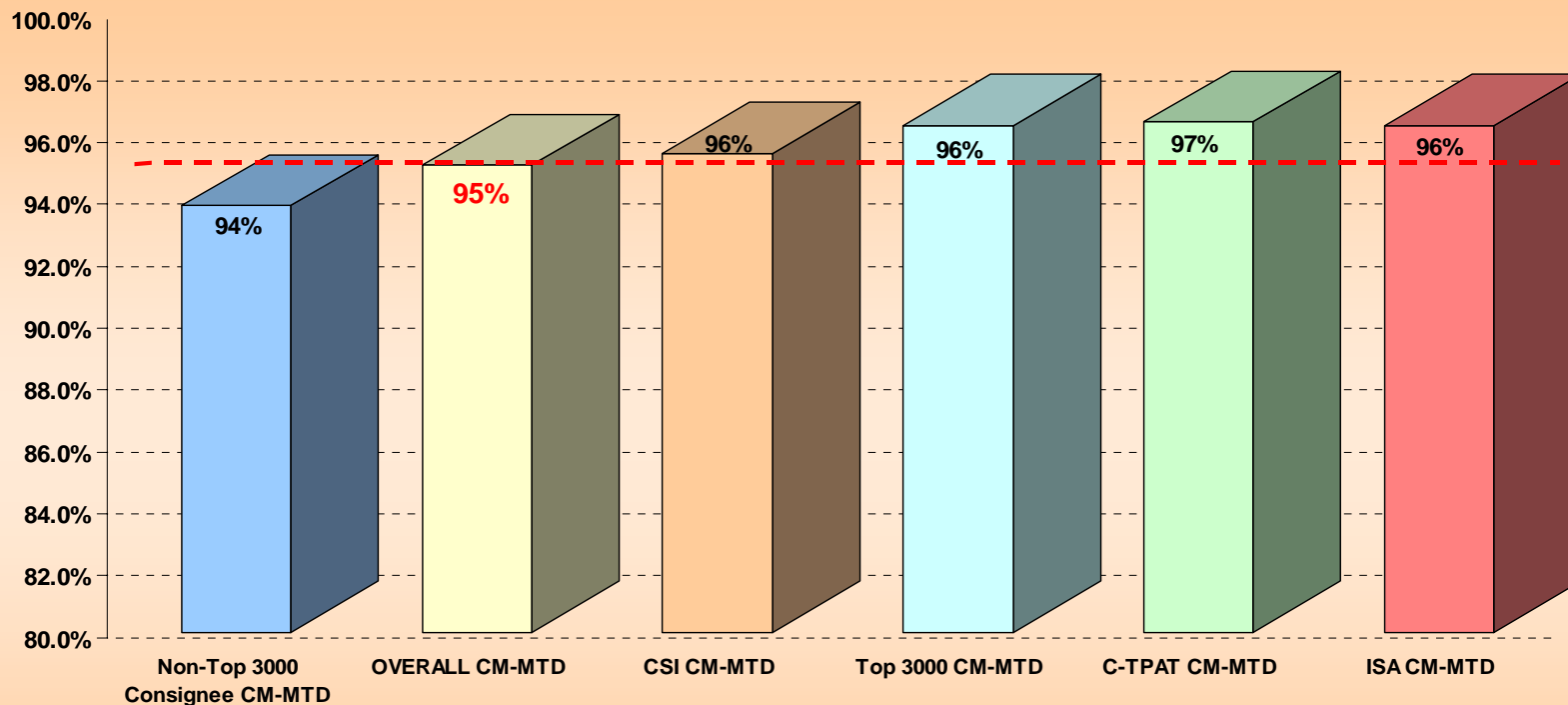
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Compliance Measurement Rates

FY 2004 Major Transactional Discrepancies (MTD)



In FY 2004, Compliance Measurement Rates for Major Transactional Discrepancies (MTD) is 97% for C-TPAT consignees, and 96% for ISA consignees, the Top 3000 trade partners, and for CSI Ports. These rates are higher than the overall Compliance Measurement MTD rate of 95% for all imports, and are all increases from the previous fiscal year.



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Container Security Initiative (CSI)

Active CSI Ports account for 46% (8.8 Million) of all entry lines for sea container traffic.

32 CSI Ports were active at the start of FY 2005.

- Expansion CSI Ports comprise an additional 15% (2.9 Million lines) to this total
- FY 2004 Active CSI Port imports are valued at \$175 Billion
- Expansion CSI Ports account for \$66 Billion



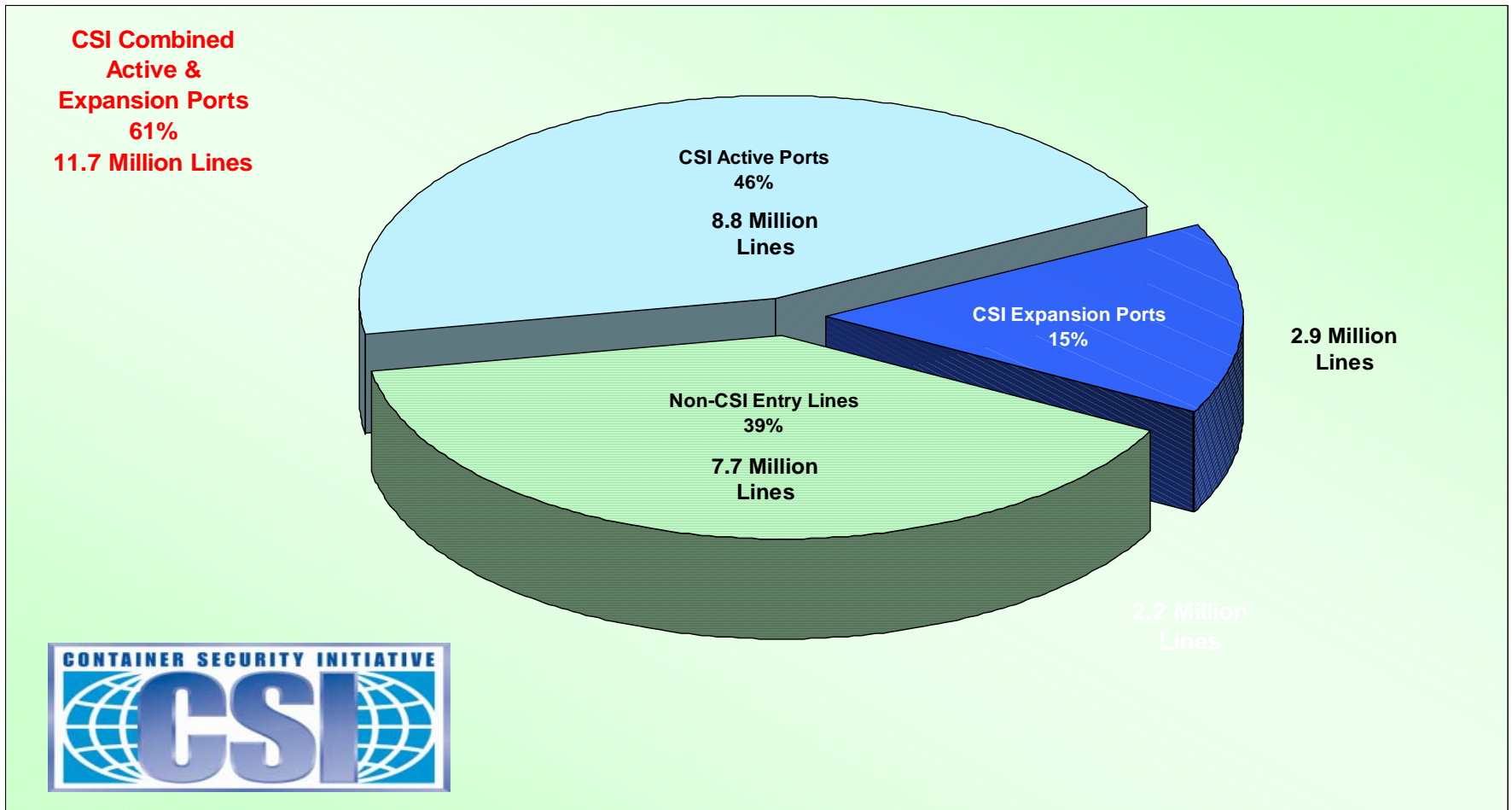
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Container Security Initiative (CSI)

All Container Vessel Imports by Entry Lines Through FY 2004 Year End



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Imports by Mode of Transportation

The primary method of shipping to the U.S. is by sea vessel.

Import Value by Mode of Transportation:

Sea:	\$600 Billion
Air:	\$364 Billion
Truck:	\$252 Billion
Rail:	\$77 Billion
FTZ / Whse:	\$83 Billion
Other:	\$37 Billion

- Sea vessel imports accounted for 43% of all imports in FY 2004
- 66% of all sea vessel imports by value arrive in the US via container
- The proportions of imports for all modes have remained relatively static since FY 1999



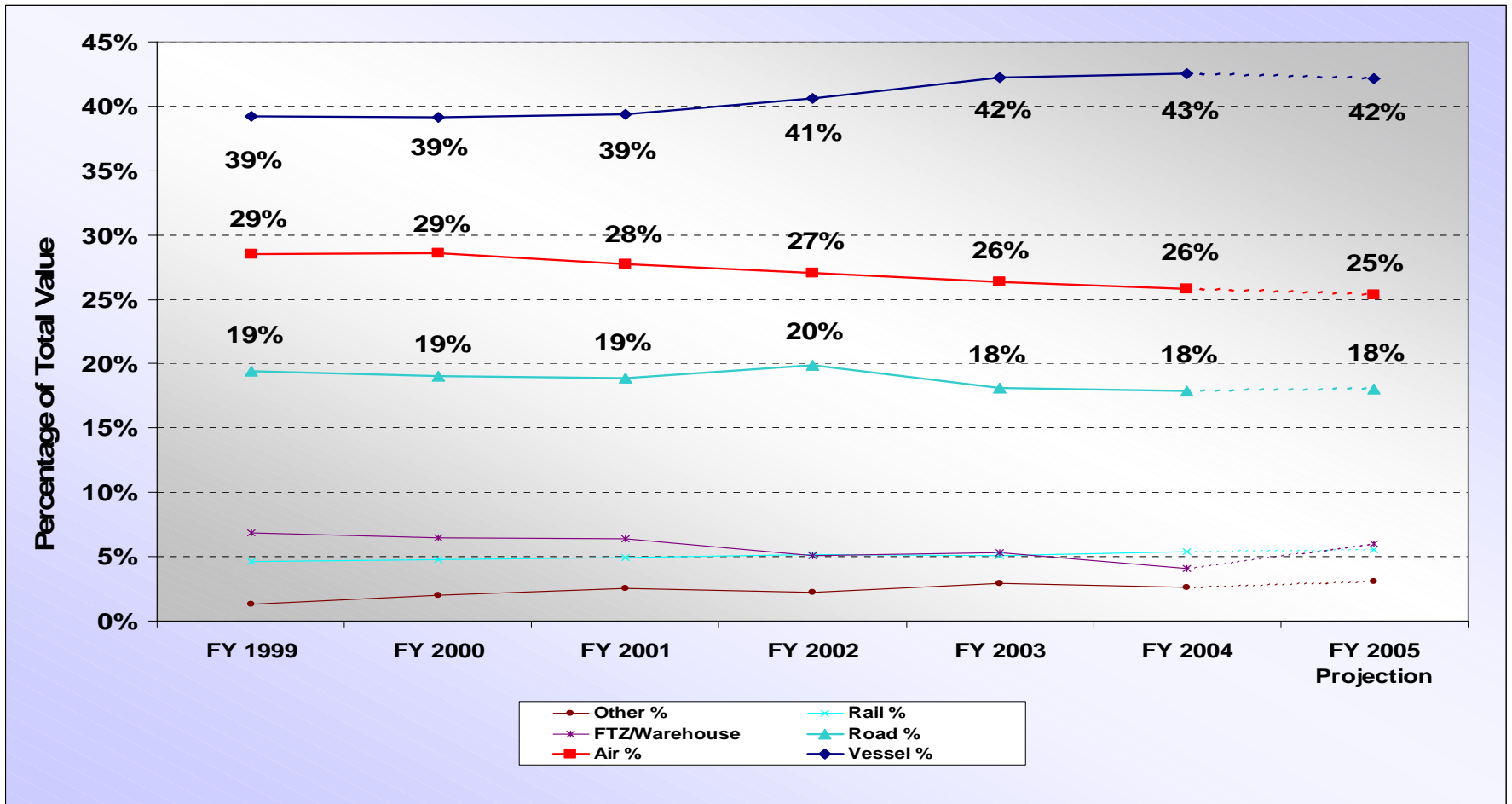
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Percentage of Import Value by Mode

Through FY 2004 Year End



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C-TPAT / ISA Participation

C-TPAT imports account for 37% (29.2 Million) of all entry lines.

C-TPAT and/or ISA
participation as a
percentage
of entry lines:

C-TPAT Only:	22%
C-TPAT & ISA:	15%
TOTAL:	37%

- C-TPAT participants not involved in ISA accounted for \$395 Billion in imports
 - This is 28% of the total import value for FY 2004
- C-TPAT participants who are also ISA participants accounted for \$169 Billion in imports
 - This is 12% of the total import value for FY 2004



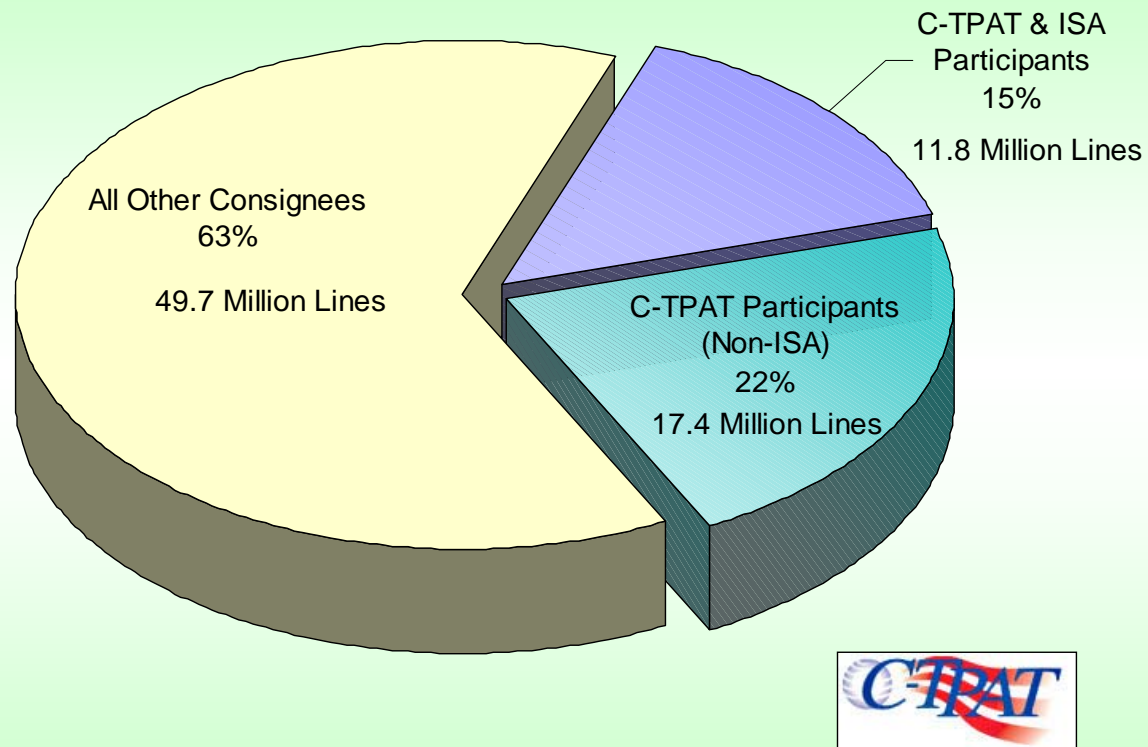
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C-TPAT Entry Lines

Percentage of Total Entry Lines Through FY 2004 Year End



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Top Countries of Origin

52% of all FY 2004 imports came from the top five countries.

Value from the top five countries of origin:

Canada:	\$215 Billion
China:	\$182 Billion
Mexico:	\$146 Billion
Japan:	\$125 Billion
Germany:	\$72 Billion

- In FY 2003, China became the second largest country importing to the US for the first time
- The value of imports from China rose 93% in the last 5 years
 - Given this rate of growth, China could surpass Canada as the number one trading partner with the US in under five years



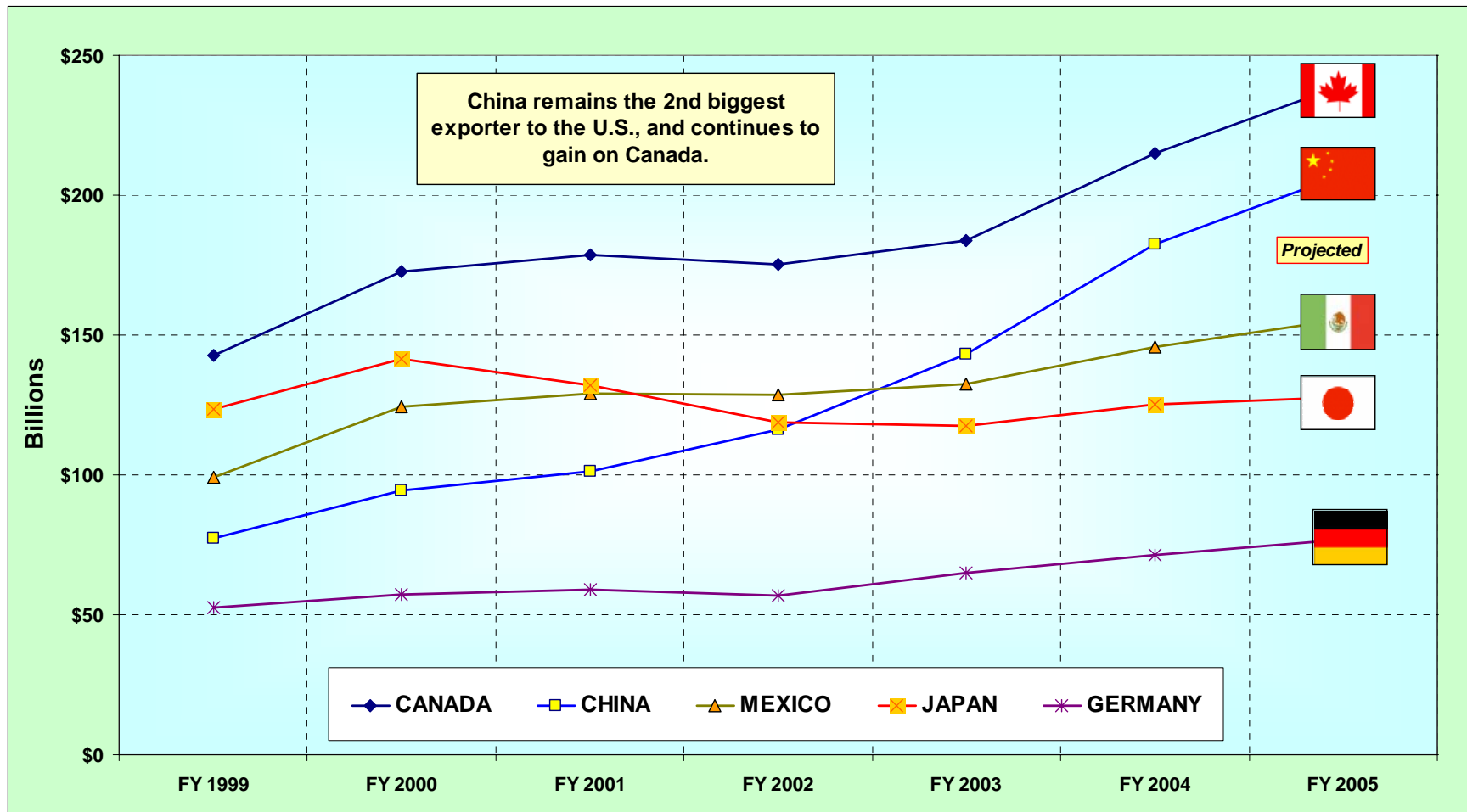
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Top Five Countries by Value

Through FY 2004 Year End



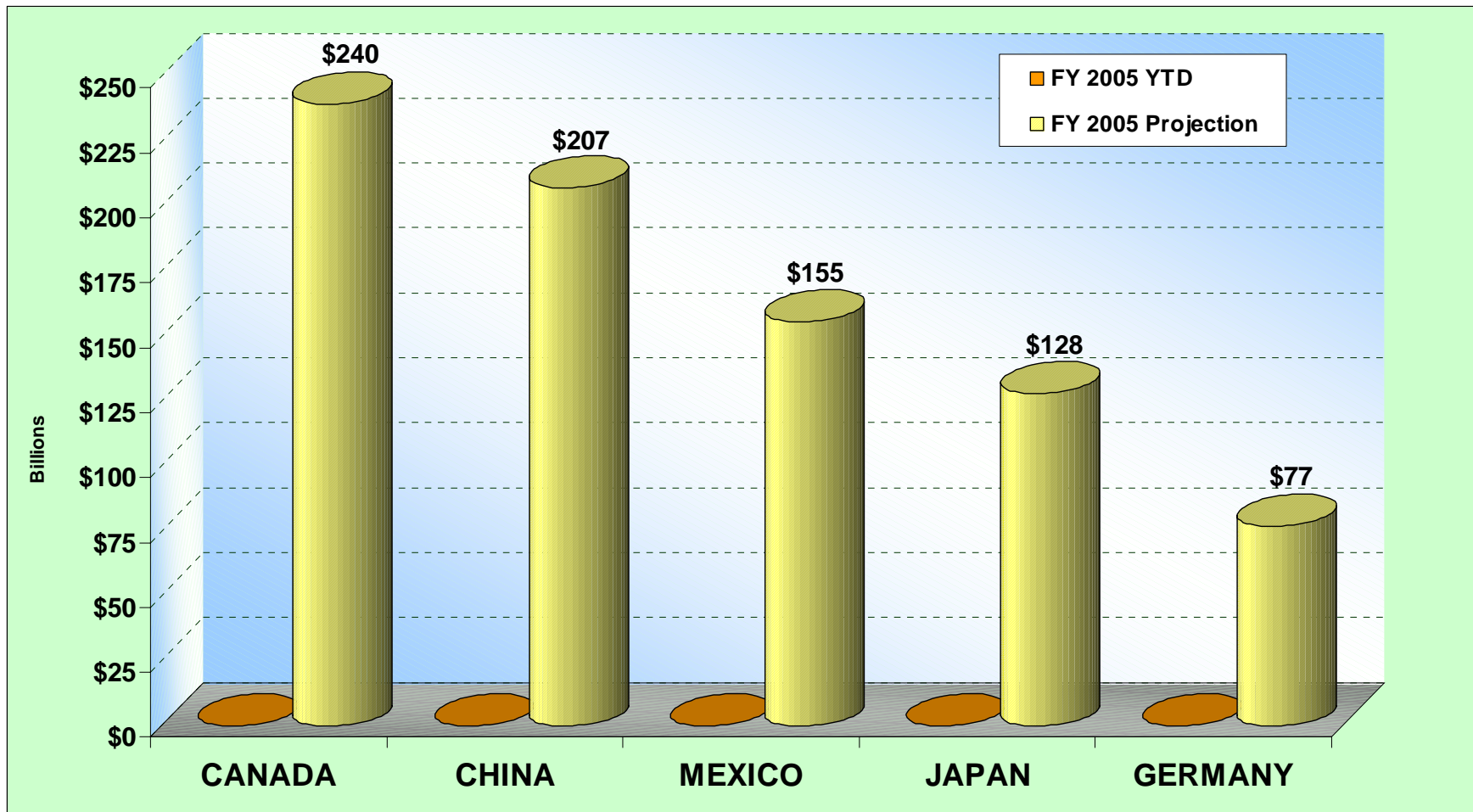
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Top Five Countries by Value

FY 2005 Projection



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Top Countries of Origin (continued)

52% of all duties come from the top five countries.

- FY 2004 duties on Chinese imports totaled \$5.3 Billion
 - This is 26% of all duties collected
 - Chinese duty collections typically peak at the end of the fiscal year, as seasonal imports surge
- 55% of all Chinese duties come from textile, handbag and shoe imports

China and Japan
together accounted for
over 1/3 of all
duties paid in FY 2004.



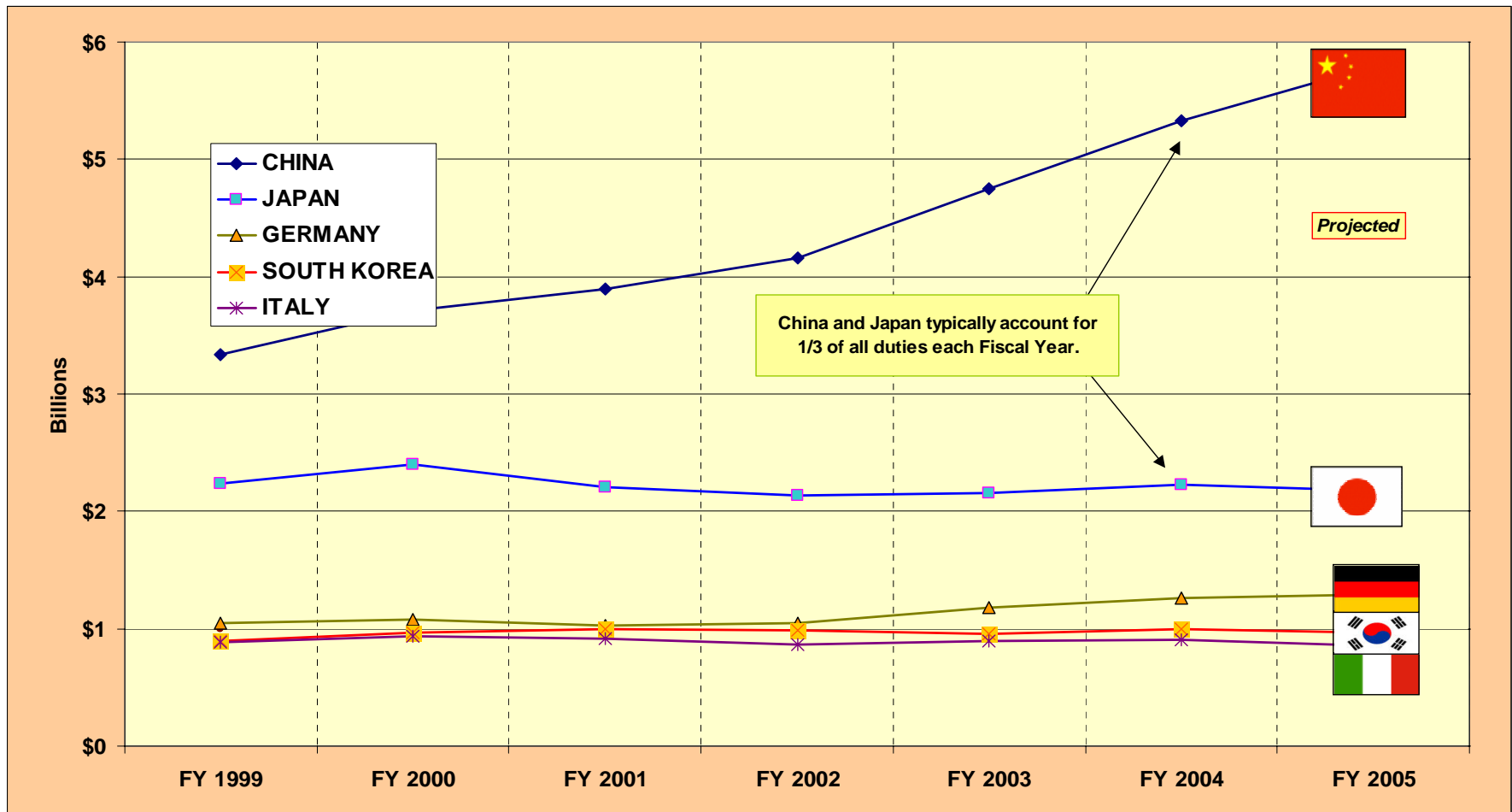
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Top Five Countries by Duty

Through Year End FY 2004



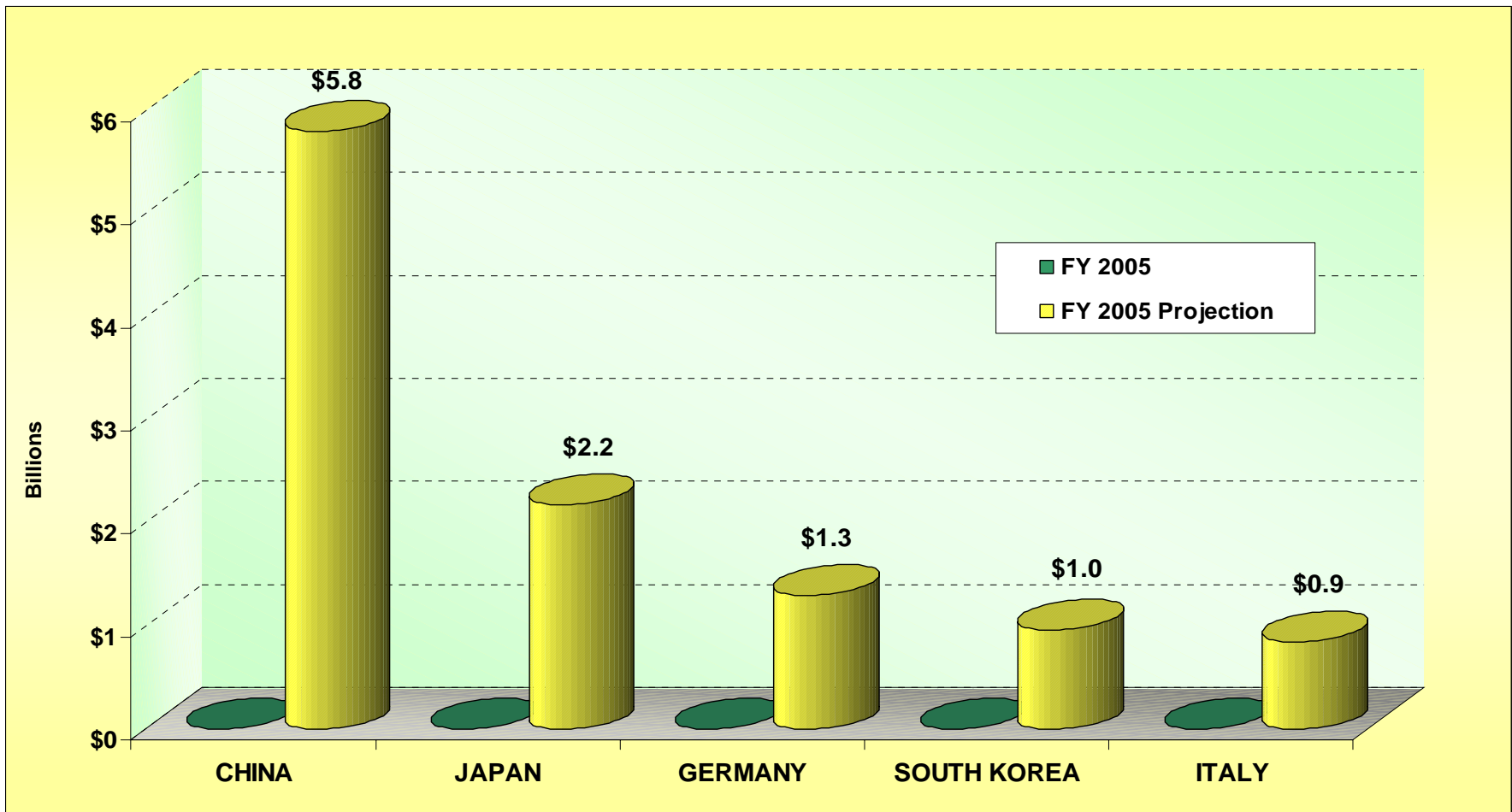
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Top Five Countries by Duty

FY 2005 Projection



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Import Trade Trends Matrix

Description of Measure	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Projection
VALUE								
Total ACS Value (in Billions)	\$881	\$995	\$1,165	\$1,178	\$1,140	\$1,235	\$1,410	\$1,542
Percentage of Dutiable Value	45%	37%	35%	34%	34%	33%	31%	30%
Percentage of Conditionally Free Value	23%	22%	20%	20%	21%	21%	22%	22%
Percentage of Duty Free Value	32%	41%	45%	46%	46%	46%	47%	48%
REVENUE								
Total Duty Collections (in Billions)	\$19.1	\$19.1	\$20.6	\$19.8	\$19.8	\$20.6	\$20.9	\$21.4
Total Revenue Collected (in Billions)	\$22.4	\$22.4	\$24.3	\$23.8	\$23.8	\$25.0	\$25.7	\$26.1
Projected Revenue Gap from CM Sample (in Millions)	\$343	\$252	\$282	\$198	Suspended	\$170	\$313	
Projected Revenue Gap as Percentage of all Duties and Fees	1.7%	1.2%	1.3%	0.9%	Suspended	0.7%	1.2%	
Total ACS Estimated Duties as Percent of Total ACS Value - Overall "duty rate" on imports	2.1%	1.9%	1.7%	1.6%	1.7%	1.6%	1.5%	1.4%
Total Anti-Dumping Duty Deposits (in Millions)	\$266	\$381	\$400	\$255	\$769	\$619	\$795	
Total Countervailing Duty Deposits (in Millions)	\$16	\$16	\$18	\$459	\$423	\$792	\$987	
ENTRY SUMMARIES AND LINES								
Total Entry Summaries (in Millions)	19.7	21.4	23.5	23.7	24.7	26.1	28.1	30.1
Percentage of Change in Total Entry Summaries from Previous Year	10%	9%	10%	1%	4%	6%	8%	7%
CONSIGNEES								
Total Number of Consignees	543,000	545,000	609,000	654,000	696,000	731,000	754,000	799,000
Percentage of Total Lines for Top 100 Consignees	26%	27%	27%	28%	25%	26%	31%	31%
Percentage of Total Lines for Top 1000 Consignees	47%	47%	47%	47%	46%	47%	53%	53%
Percentage of Total Lines for Top 3000 Consignees	58%	59%	60%	59%	58%	59%	65%	65%
COMPLIANCE RATES								
Number of CM Exams and Reviews	81,000	85,000	99,000	72,000	13,000	51,000	64,000	30,000
Overall Compliance Rate - Major Transactional Discrepancies (MTD)	90%	90%	90%	91%	Suspended	93%	95%	
Overall Compliance Rate of Top 3000 Consignees (MTD)	91%	92%	92%	93%	Suspended	95%	96%	
Overall Compliance Rate of C-TPAT Members (MTD)	91%	92%	93%	94%	Suspended	96%	97%	
Overall Compliance Rate of ISA Members (MTD)	90%	90%	91%	92%	Suspended	96%	96%	
Overall Compliance Rate of CSI Ports (MTD)					Suspended	95%	96%	



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Import Trade Trends Matrix

Description of Measure	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Projection
CONTAINER SECURITY INITIATIVE - CSI								
Active CSI Lines (Millions)							8.8	
Percentage of Container Vessel Lines from Active CSI Ports							45%	
Expansion CSI Port Lines (Millions)							2.9	
Percentage of Container Vessel Lines from Expansion CSI Ports							15%	
MODE OF TRANSPORT								
Vessel Imports (in Billions)	\$374	\$391	\$456	\$464	\$463	\$521	\$600	\$650
Air Imports (in Billions)	\$245	\$284	\$333	\$327	\$308	\$326	\$364	\$391
Road Imports (in Billions)	\$171	\$194	\$222	\$223	\$227	\$224	\$252	\$278
Rail Imports (in Billions)	\$42	\$46	\$56	\$58	\$58	\$62	\$76	\$86
Other Modes & Warehouse Withdrawal	\$49	\$81	\$99	\$106	\$83	\$102	\$119	\$143
TRADE PARTNERSHIPS								
Import Lines for CTPAT & ISA Participants (Millions)							11.8	
CTPAT & ISA Lines as Percentage of All Import Lines							15%	
Import Lines for CTPAT Participants (Non-ISA) (in Millions)							17.4	
CTPAT Lines as Percentage of All Import Lines							22%	
COUNTRIES								
Total Value from Top 5 Countries (in Billions)	\$450	\$495	\$590	\$600	\$595	\$642	\$740	\$807
Percentage of Total Import Value for Top 5 Countries	51%	50%	51%	51%	52%	52%	52%	52%
Total Duty for Top 5 Duty Paying Countries (in Billions)	\$8	\$8	\$9	\$9	\$9	\$10	\$11	\$11
Percentage of Total Duties for Top 5 Countries	45%	46%	46%	47%	48%	50%	52%	52%



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